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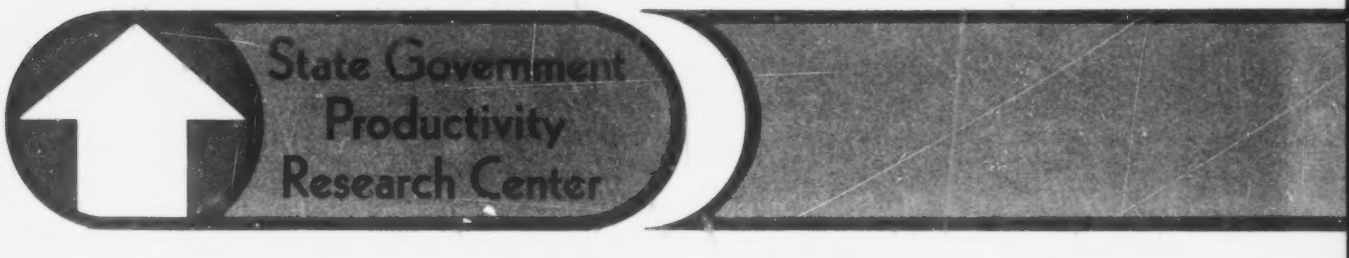

Nationwide Survey Results of State Government Productivity

by
Frances Stokes Berry
and
James E. Jarrett
State Government Productivity Research Center

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Key Findings

✔ Over 76 percent of the state officials surveyed said they were very interested in productivity issues and programs.

✔ Five activities were rated consistently as the most useful efforts to state governments in improving productivity, as areas which should be given high priority in state government, and as areas in which agency administrators and legislators are very interested. These activities are:

A. Program Performance Evaluation
B. Training for Managers in Productivity Concepts
C. Monetary and Non-Monetary Incentives
D. Output Measurement
E. Employee Performance Evaluation

✔ Legislators are much more likely than agency administrators or legislative staff to be interested in "contracting out to non-governmental organizations" and "reducing government impact on private business" and believe that both activities should be given high priority in state government.

✔ Eighty-six percent of the agency administrators would like to see more effort in their state agency devoted to productivity improvement activities.

✔ However, considerably fewer than half of the survey respondents believe there is a high likelihood that funding will be made available for new productivity improvement activities.

✔ The organizational units most frequently identified as having principal responsibility for productivity are the:

—budget office
—department of administration
—department of personnel
—governor's office
—legislative auditor's office.

Foreword

Faced with severe budget constraints, state government officials are increasingly interested in actions to improve productivity. In 1980, the Council of State Governments conducted a survey of state legislators, administrators and legislative staff to assess the existing needs for productivity improvements and efforts under way to streamline state government. This report contains the results of that survey.

The authors wish to thank the many people who generously assisted at various stages in the project. Robert de Voursney, Director of Research, and Carolyn Kenton, General Government Coordinator, assisted the authors in designing the survey instrument. Other CSG staff members who participated in the collection and analysis of the surveys include Abbott Hilelson and Connie Whitaker. Special thanks are due to Annette Gaul, International City Management Association, Washington, D.C.; Lanny Larson, Inspector General, Department of Labor and Employment Security, Florida; and Kathie Resnick, Senior Program Analyst, Office of Lt. Governor, New York, for providing comments on the draft survey. Irv Shapiro and Kathy Warren, Office of Personnel Management, provided encouragement throughout the survey process. Finally, and most importantly, the Council owes a debt of gratitude to all the survey respondents who provided information for sharing ideas among state officials.

Frank H. Bailey
Executive Director
The Council of State Governments

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I. Introduction

While state government officials have long been interested in well-run programs, during the last few years the need for increased productivity has become urgent. Proposition 13-style tax cuts and a national recession have severely cut into states' collected revenues. At the same time, a high inflation rate and reductions in state personnel have forced states to deliver the same services with fewer resources. As a result, increased attention has centered around improving productivity both as a short-term survival technique and, perhaps more importantly, as a long-term solution to long-term problems.

"Productivity improvement" can be defined as *efficiency* and *effectiveness*. *Efficiency* refers here to an input/output ratio in which productivity increases as the per-unit cost of output decreases. *Effectiveness* refers to the quality and results of governmental services. Effectiveness increases as program goals are achieved while satisfying citizens with the quality of services. Ideally, overall improvements in productivity would result from increases in both effectiveness and efficiency. In this study, we have used the term "productivity" to mean programs and activities designed specifically to:

- increase service levels while holding costs constant,
- decrease costs for current service performance levels, or
- increase performance while simultaneously decreasing costs.

The Council of State Governments received numerous inquiries from state officials in 1978 and 1979 about ways to increase productivity. In response, in November 1979, the Council with financial aid from the U.S. Office of Personnel Management established a clearinghouse on state activities to improve efficiency and effectiveness—the State Government Productivity Research Center. One of the Center's first activities was to conduct a national survey of state administrators, legislators and legislative staff to determine: (1) which activities state officials think are most useful for improving state government operations, and (2) the kinds of productivity programs and activities already implemented in the states. This report presents the findings of the national survey.

Administering the National Survey

In May 1980, the Productivity Research Center mailed 3,700 questionnaires to legislators and administrators in the 50 states, American Samoa, Guam, Puerto Rico, and the Virgin Islands as follows: 2,000 to agency administrators, 1,400 to legislators, and 300 to legislative staff (see Figure 5). The questionnaires were of four types which differed in wording and number of questions but which were essentially alike. Questions emphasized executive branch productivity. The surveys asked the state officials and staff about their interest in various productivity issues, the potential utility of various approaches for increasing productivity, and the extent of the present use of those approaches. Approximately 1,000 questionnaires were returned—a response rate of 27 percent.[1] (For a description of the questionnaires and who received them, see Appendix.)

II. The Survey Results

This section reviews the survey results regarding three topics: (1) state officials' opinions about productivity, (2) state productivity activities, and (3) state officials' sources of information about productivity.

A. State Officials' Opinions about Productivity

Survey respondents were asked "How interested are you in productivity issues and programs?" Seventy-six percent said they were "very interested," while 21 percent were "somewhat interested." Only 3 percent of the respondents expressed a lack of interest in productivity issues. Table 1 shows the level of interest by type of state official surveyed. The figures indicate that while all categories of state officials surveyed have a strong interest in productivity programs, legislative staff members seem to have the least interest—only 63 percent were "very interested" in productivity issues.

TABLE 1

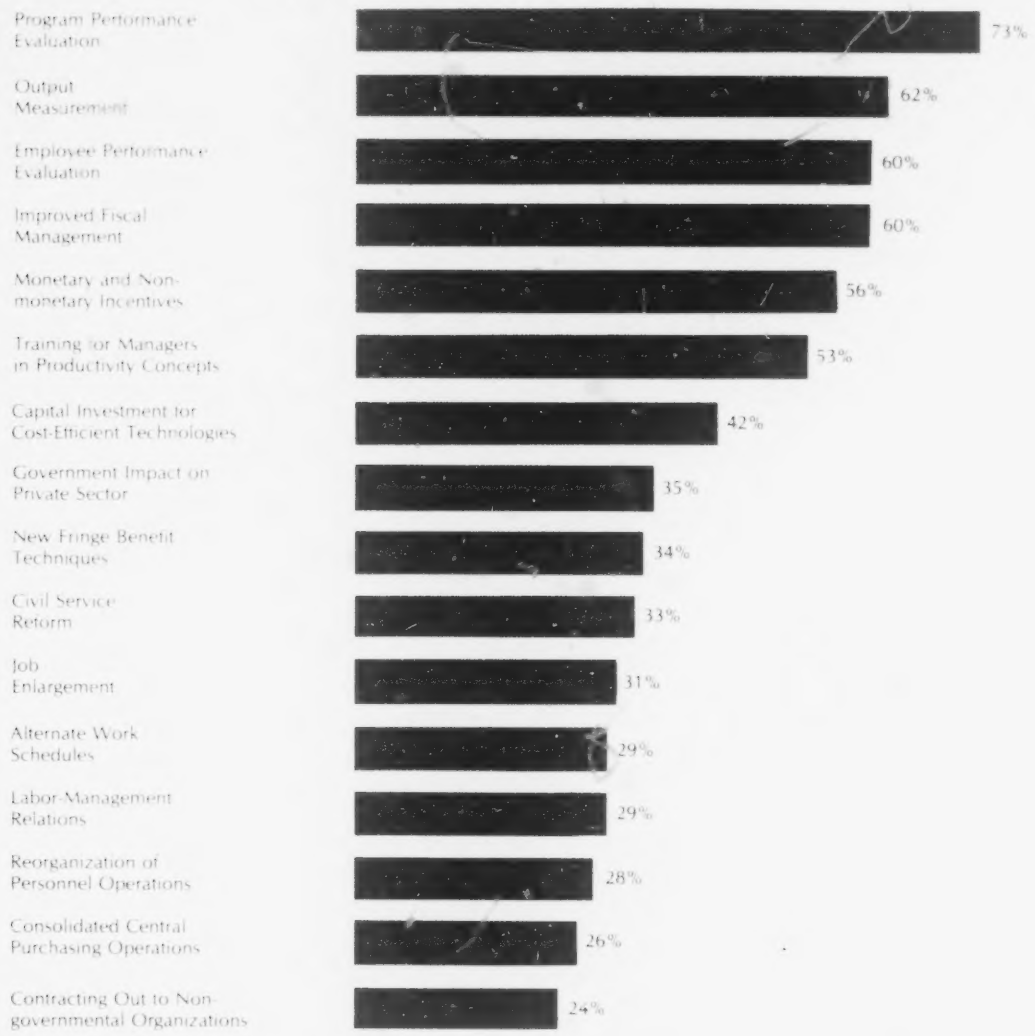
Survey responses to question: "How interested are you in productivity issues and programs?"

	Line agency	*Central agency*	*Legislative staff*	*Legislators*	*All four surveys*
Very interested	84%	75%	63%	82%	76%
Somewhat interested	15%	23%	29%	17%	21%
Not very interested	1%	2%	8%	1%	3%
	100%	100%	100%	100%	100%

Although over three-fourths of the state officials expressed high interest in productivity, that percentage masks variation in interest concerning different types of productivity issues and programs. Respondents were asked to identify areas of productivity in which they are especially interested, and their responses are summarized in Figure 1. The areas in which more than 50 percent of respondents were very interested are: program performance evaluation (73 percent); output measurement (62 percent); employee performance evaluation (60 percent); improved fiscal management (60 percent); monetary and nonmonetary incentives (56 percent); and

Figure 1

Bar graph summarizing survey responses to the question: "Productivity programs can be developed in many topical areas. Which general areas of productivity are you very *interested in*?"*



*Includes responses to all four surveys.

training for managers in productivity concepts (53 percent). It is interesting to note that the three most frequently mentioned areas involve employee or program output measurement. Such high interest in measurement is important, for many strategies to improve productivity assume an ability to measure the results of state government activities. The survey indicates that state officials understand this requirement and want to know more about how to meet it effectively.

The productivity areas in which fewer than one-third of the respondents were interested are: contracting out to non-governmental organizations (24 percent); consolidated central purchasing operations (26 percent); reorganization of personnel operations (28 percent); labor management relations (29 percent); alternate work schedules (29 percent); job enlargement (31 percent); and civil service reform (33 percent). These issues which generate little interest contrast with those about which state officials expressed keen interest. All the low-interest issues relate to specific aspects of organizational management rather than to general concerns for improved program and personnel management. It is possible, of course, that the relatively low interest in these specific areas may be due to the fact that some programs to improve productivity were already operating in the states when the survey was conducted. It is also possible that the relatively low interest reflects disagreement about the utility of specific productivity improvement

strategies, while consensus exists about the general need to improve program and personnel measurement.

More can be learned about state officials' interests in productivity by examining the differences in results across the four surveys. These data are shown in Table 2. Among the set of issues in which a majority of survey respondents were "very interested" are several issues about which agency administrators expressed significantly greater interest than officials in the legislature. Sixty-eight percent of line and central agency administrators were "very interested" in output measurement, compared to only 54 percent of legislators and 56 percent of legislative staff. Similarly, larger percentages of administrators expressed strong interest in monetary and non-monetary incentives and in training for managers in productivity. The differences between agency and legislative interests should not be surprising. Administrators in charge of daily operations could be expected to have the most interest in measuring their program's output, motivating employees and assisting managers in working more effectively.

Of the issues in which over 50 percent of survey respondents were very interested, "improved fiscal management" is the only one which interests legislators and legislative staff members more than agency administrators. Finally, it should be noted that state legislators expressed a relatively strong interest in two areas in which the full set of respondents indicated only minor interest: government impact on the private sector and contracting out to non-governmental organizations. It appears, then, that state legislators, more than other state officials, emphasize areas involving interaction between the public and private sectors.

Legislators and administrators were also asked to consider the importance of productivity on their agency agenda or on the state agenda. Tables 3 and 4 show their replies, and several observations can be made about the responses. First, agency administrators believe that productivity is more important on their agency's agenda than on the state government's agenda (see Table 3 and the Central Agency response in Table 4). Second, according to Table 4, almost 90 percent of the respondents believe productivity is "very" or "somewhat" important on their state government's agenda. Legislators are especially likely to believe that productivity is very important on the state government's agenda. Third, more agency administrators than legislators or legislative staff believe productivity is "not very important" on their state government's agenda.

After asking survey respondents which areas of productivity they are interested in, we asked which efforts they think would be very useful to their agency or state government in improving its productivity. These responses are summarized in Figure 2. The four efforts

TABLE 2

Survey responses to the question: "'Productivity Programs' can be developed in many topical areas. Which are you very interested in?"

	Line agency	*Central agency*	*Legislative staff*	*Legislators*
Program Performance Evaluation	75%	60%	74%	82%
Output Measurement	74%	62%	56%	54%
Employee Performance Evaluation	71%	54%	47%	67%
Monetary and Non-monetary Incentives	66%	58%	44%	56%
Training for Managers in Productivity Concepts	59%	63%	39%	51%
Improved Fiscal Management	54%	49%	73%	62%
Capital Investment for Cost-Efficient Technologies	37%	46%	37%	49%
Alternate Work Schedules	33%	25%	24%	35%
New Fringe Benefit Techniques	33%	39%	36%	28%
Job Enlargement	.	39%	24%	31%
Government Impact on Private Sector Business	31%	22%	25%	63%
Labor-Management Relations	30%	33%	18%	34%
Civil Service Reform	28%	32%	32%	41%
Reorganization of Personnel Operations	.	27%	31%	26%
Consolidated Central Purchasing Operations	22%	20%	26%	36%
Contracting Out to Non-governmental Organizations	18%	23%	12%	44%

TABLE 3

Survey responses to the question: "How important do you think productivity issues are on the agenda of your state agency?"

	Central agency
Very important	53%
Somewhat important	37%
Not very important	8%
Don't know	2%
	100%

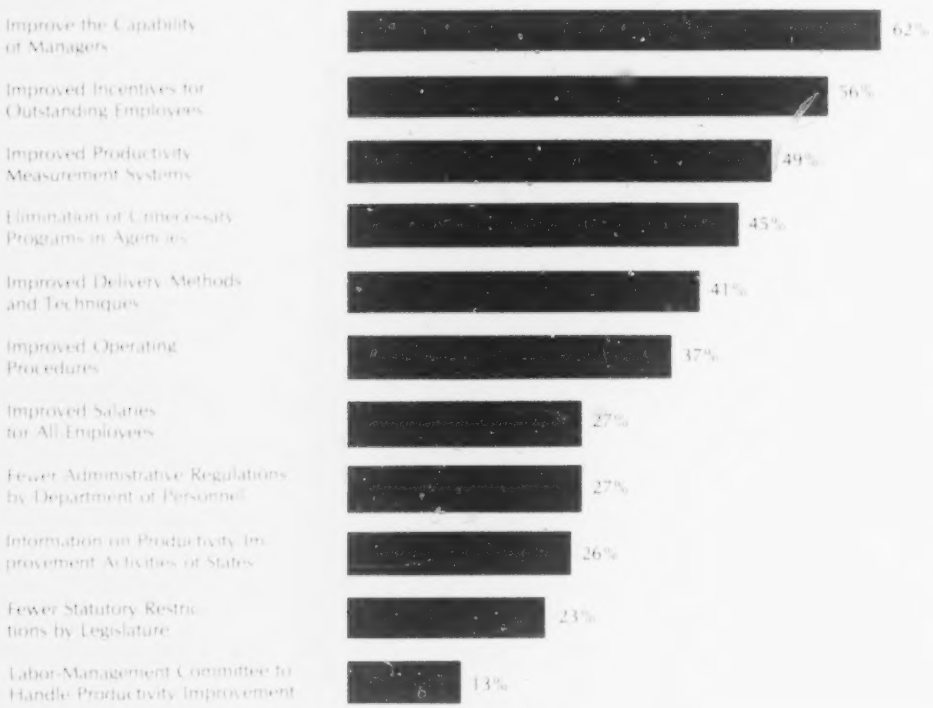
TABLE 4

Survey responses to question: "How important do you think productivity issues are on the agenda of your state government (i.e. legislature and/or governor's office)?"

	Central agency	*Legislative staff*	*Legislators*	*Average*
Very important	41%	35%	54%	44%
Somewhat important	38%	54%	34%	42%
Not very important	18%	8%	11%	12%
Don't know	3%	3%	1%	2%
	100%	100%	100%	100%

Figure 2

Bar graph summarizing survey responses to the question: "Under current financial constraints, which of the following efforts do you think would be very *useful* to your agency or state government?"*



*Includes responses to all four surveys.

viewed by the most respondents as very useful are: (1) improving the capability of managers (62 percent); (2) improved incentives for outstanding employees (56 percent); (3) improved productivity measurement systems and techniques (49 percent); and (4) elimination of unnecessary programs in agencies (45 percent). The majority of the respondents appear to believe that addressing the needs of individual employees by providing training and incentives for high achievement would prove useful for increasing productivity.[2]

In a question whose responses are not presented here in tabular form, state officials were asked to indicate which efforts they believe would *not be very useful* to state government in improving its productivity. In response to this question:

- 32 percent believe "fewer statutory restrictions by the legislature" would not be useful.
- 28 percent believe "labor-management committees to handle aspects of productivity improvement" would not be useful.
- 23 percent believe "improved salaries for all employees" would not be useful.
- 21 percent believe "fewer administrative regulations by the Department/Division of Personnel" would not be useful.
- The other nine categories (shown in Figure 2) received few responses as not very useful activities.

Reviewing the responses on the four surveys concerning which efforts are viewed as very useful in improving productivity, four points merit comment (Table 5 shows the four surveys' responses):

- Legislators and legislative staff agree that "eliminating unnecessary programs in agencies" is one of the most useful activities.
- Most legislative staff believe "improved delivery methods and techniques" would be very useful.
- Legislators and legislative staff are less likely than administrators to think "improved salaries for all employees" would be very useful.
- Legislative staff are less likely than other respondents to believe "fewer statutory restrictions" and "fewer administrative regulations by personnel" would be very useful in making state government more effective.

Survey respondents were asked to rank the four most useful activities from Table 5. Their responses are shown in Figure 3. Agency administrators strongly agree on the four most useful activities for improving productivity in state government. Legislators and legislative staff agree on three of the four activities, although the rankings vary.

Figure 3 indicates:

- Both legislators and legislative staff believe "elimination of unnecessary programs in agencies" is very useful, although this was not selected by agency administrators as one of the four most useful activities to improve state government's productivity.
- Legislative staff selected "improved delivery methods and techniques" as the second most useful activity for improving government's productivity, although it was not selected by the other three surveys' respondents.
- Agency administrators feel "improved operating procedures" is the fourth most useful activity, although legislators and legislative staff did not select it as one of the four most useful activities.
- Overall, the consensus among the four surveys' respondents is that the three most useful efforts for state government to pursue in promoting productivity are: improving the capability of managers; improved incentives for outstanding employees; and improved productivity measurement.

The last question was: "In your opinion, which issues should be given high priority in your state government?" The results are summarized in Figure 4. Over 50 percent of the respondents said the issues that should receive high priority are: (1) program performance evaluation (69 percent); (2) output measurement (58 percent); (3) monetary and non-monetary incentives (57 percent); (4) training for managers in productivity concepts (57 percent); and (5) employee performance evaluation (54 percent).

TABLE 5

Survey responses to the question: "Under current financial constraints, which of the following efforts do you think would be very useful to your state agency* or state government?"**

	Line agency	*Central agency*	*Legislative staff*	*Legislators*
Improve the Capability of Managers	66%	61%	63%	55%
Improved Incentives for Outstanding Employees	58%	56%	54%	53%
Improved Productivity Measurement Systems and Techniques	52%	45%	48%	52%
Improved Delivery Methods and Techniques for Providing Public Services	41%	42%	28%	54%
Improved Operating Procedures (e.g., resource allocation, work flow, etc.)	40%	35%	36%	34%
Improved Salaries for All Employees	38%	27%	12%	19%
Fewer Administrative Regulations by the Dept./Div. of Personnel	33%	28%	9%	28%
Elimination of Unnecessary Programs in the Agency	30%	33%	61%	81%
Information on Productivity Improvement Activities of Other States	29%	21%	27%	31%
Fewer Statutory Restrictions by the Legislature	23%	29%	9%	22%
Labor-Management Committees for Handling Aspects of Productivity Improvement	11%	12%	16%	14%

*For Central Agency and Line Agency surveys.
**For Legislator and Legislative Staff surveys.

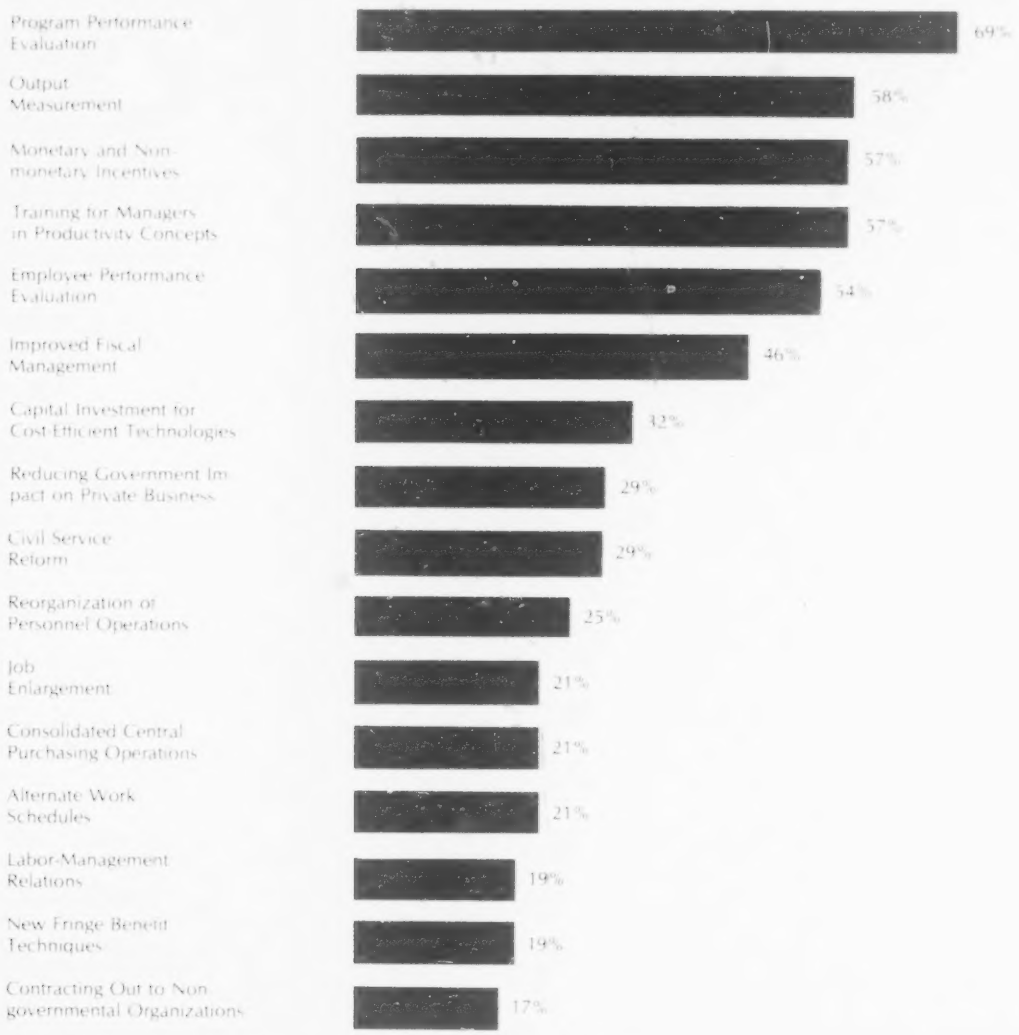
Figure 3

Survey responses to the question: "Of the possible activities listed in Table 5, which four do you feel would be most useful to your state government?"

Activities	*Line Agency*	*Central Agency*	*Legislator*	*Legislative Staff*
MOST USEFUL	Improved incentives for outstanding employees	Improving the capability of managers	Improving the capability of managers	Elimination of unnecessary programs in agencies
SECOND MOST USEFUL	Improving the capability of managers	Improved incentives for outstanding employees	Elimination of unnecessary programs in agencies	Improved delivery methods and technologies for providing services
THIRD MOST USEFUL	Improved productivity measurement systems and techniques	Improved productivity measurement systems and techniques	Improved productivity measurement systems and techniques	Improved incentives for outstanding employees
FOURTH MOST USEFUL	Improved operating procedures	Improved operating procedures	Improved incentives for outstanding employees	Improved productivity measurement systems and techniques

Figure 4

Bar graph summarizing survey responses to the question: "In your opinion, which of the following issue areas should be given high priority in your state government?" *



*Includes responses to Central Agency, Legislator, and Legislative Staff surveys.

As reflected in the other responses, the two general areas all survey respondents want to see given high priority in their state government are program and employee measurement and attention to improving and motivating the existing human resources through training and incentives. In survey data not presented here in tabular form, individual responses to the question in Figure 4 show several differences across the survey types. While the surveys show similar percentages for most of the categories in Figure 4, three exceptions should be noted:

- Legislators, much more than respondents from the other surveys, believe "reducing government impact on private business" and "contracting out to non-governmental organizations" should receive high priority in state government.
- Legislators and legislative staff are more likely to believe "improved fiscal management" should be given high priority in state government.
- Administrators are more likely to believe "training for managers in productivity concepts," "civil service reform," and "labor-management relations" should be given high priority in state government.

To summarize the principal findings of this section, the great majority of the survey respondents are very interested in productivity and feel that it is very or somewhat important on states' agendas. Across all categories of state respondents, almost three-fourths are very interested in "training for managers in productivity concepts" and "monetary and non-monetary incentives for

employees." When asked to choose which actions would be most useful to state government in improving productivity, most respondents selected "improved incentives for outstanding employees" and "improving the capability of managers." Legislators and legislative staff are more likely than administrators to believe "eliminating unnecessary programs in agencies" is one of the two most useful efforts for increasing state government's productivity.

Legislators, much more than the other respondents, are very interested in "contracting out to non-governmental organizations" and "reducing government impact on private business" and believe both activities should be given high priority in state government. Otherwise, all survey respondents believe "program performance evaluation," "output measurement," "monetary and non-monetary incentives," and "training for managers in productivity concepts" should be given high priority in state government.

Thus, survey respondents believe that measurement of program and employee output deserves increased emphasis, but respondents generally believe that other actions such as improved incentives, increased training, and elimination of unnecessary programs will prove ultimately more useful in improving government's productivity.

B. State Productivity Activities

In the previous section, opinions of state officials on numerous methods of improving productivity were described. In this section, the methods themselves will be examined further. A summary of state efforts to improve efficiency and effectiveness will be presented, followed by a description of specific agency activities.

Responding to open-ended questions, state officials discussed many current productivity activities.[3] The following paragraphs summarize part of the extensive information gathered concerning state productivity activities.

Task Forces

Several states have ongoing Productivity Councils using private and public sector administrators, legislators and organized labor representatives to review and guide productivity efforts. Other states have used private sector business expertise in governors' commissions on management to develop agency-by-agency recommendations for needed management and organizational improvements. Still other states have used interim legislative committees to study employee productivity and other topics or have established permanent legislative commissions.

State Productivity Programs

Establishing a statewide, designated productivity improvement program is one mechanism to underscore the commitment of top management to productivity. Such programs differ in detail. Several states have designated productivity coordinators in each agency to provide leadership in developing and implementing productivity projects. Other states have used central funds to finance projects developed and submitted by agency staff. Another approach links state activities with a university-based Productivity Resource Center. And, finally, several states have required agencies to draw up agency productivity plans with productivity targets and output measures.

Training

Training activities complement nearly all improvements in productivity. Training in how to establish program and management objectives (often in conjunction with MBO and budget systems) is becoming widespread. States are increasingly using low-cost, in-house video programs with workbooks to provide flexible training. Most states offer executive and management training. Several states have begun management institutes for top management, and five states have certified public manager programs for mid-level managers.

Employee Performance Appraisal

Many states are revamping employee evaluation systems or adopting them for the first time. States are moving away from evaluations based on general criteria for all personnel toward individually tailored appraisal systems. Employees often participate in setting standards by which their work will be evaluated. Such appraisal systems can be linked to management by objectives programs or other management techniques. Increasingly, performance appraisal is directly linked to merit raises or other salary increases. Many states conduct management training in how to do performance appraisal, covering interview techniques, counseling and other relevant topics.

Program Evaluation and Measurement

An important ingredient of a useful productivity improvement program is having measures of program performance. This enables managers to assess the performance of existing programs and the impact of new procedures on their programs. Agencies in all 50 states are developing program output measures. Many states link program measurement to state budget systems through some form of program or zero-based budgeting. In these states, agency budget documents are often accompanied by statements of program goals, program measures, and methods for assessing efficiency and effectiveness. Management by objectives techniques are frequently used to develop output measures.

Incentive and Reward Programs

Most states have some type of employee suggestion system. Rewards for implemented suggestions range from governors' awards to monetary awards to a percentage of the savings resulting from the suggestion. A few states are examining shared-savings programs. Other incentive programs include merit increases, senior executive management programs, and hourly salaries based on performance in easily-measured jobs such as data entry.

Employee Participation

In addition to individual incentive programs, states are beginning to use collective mechanisms to generate increased

employee participation at the work place. Quality circles are being formed in several states and are a method by which small groups of employees identify problems, gather data, analyze possible solutions, and develop recommendations on needed changes. States have also successfully used flextime, job sharing and other alternative scheduling designs to provide employees flexibility in work force participation and to promote productivity.

Operations Improvement

Some states, particularly those with central management improvement staff, have used industrial engineering methods, paperwork and form-reduction committees, work simplification, and office layout analysis as elements in a broader effort to improve productivity. Such techniques are especially appropriate for improving the efficiency of state operations.

Fiscal Management

Improving financial management is not a new effort for state governments, but a new awareness of the necessity for improved cash management techniques is emerging. States are becoming more cognizant of the fact that the greater the investment of idle funds, the greater the amount of revenue flowing into the general fund which does not have to come from the taxpayer. To do this, states are implementing better collection procedures (using lock boxes to expedite deposits of receipts), improved revenue and expenditure forecasting techniques, and specialized training in fiscal management.

TABLE 6

Survey responses to the question: "Many state agencies have developed specific productivity programs which are often carried out by a designated productivity unit within an agency. We would like to know if your agency has well-defined productivity improvement programs to accomplish the following goals."*

	Yes	No	Not sure
a-Measure output of agency's program(s)	51%	41%	8%
b-Measure employee work performance	52%	41%	7%
c-Allow employees flextime scheduling	53%	44%	3%
d-Provide management assistance to local governments	39%	53%	8%
e-Provide monetary/non-monetary awards for state employee money-saving suggestions	38%	55%	7%
f-Provide capital investment money for cost-efficient new technologies	18%	63%	19%
g-Utilize monetary and non-monetary incentives to reward outstanding employees	42%	49%	9%
h-Assess the impact of federal regulations on private business operations	12%	75%	13%
i-Reduce government impact on private business	10%	73%	17%
j-Train managers in productivity concepts	38%	54%	8%
k-Improve fiscal management	50%	35%	15%

*For Central Agency and Line Agency surveys only.

The close-ended question in Table 6 asked executive branch officials about a series of possible activities in their agencies.

Four results in Table 6 deserve mention. First, it is apparent that program measurement and employee performance appraisals based on employee output are not used universally. Only slightly more than half of the officials indicate these are now used in their agencies. Second, fewer than 40 percent of the agencies provide awards to employees for money-saving suggestions. Third, very few agencies assess the impact of federal regulations on private businesses or have projects designed to reduce state governments' impact on private business. And fourth, fewer than one in five agencies provides capital investment funds for cost-efficient new technologies. While some of these figures may seem quite low, others seem quite high (for instance, those related to providing incentives to reward outstanding employees).

As one would expect, many of the productivity programs in state agencies focus on the agencies' operations (Table 7). One-fifth of the programs, however, have been in cooperation with county or municipal government agencies.

TABLE 7

Survey responses to the question: "Has your agency's productivity program been focused exclusively on state government productivity improvement?"*

Yes	65%
No	20%
Not sure	15%

*For Central and Line Agency surveys only.

Despite the varied and, in many cases widespread, activities carried out in state agencies, state officials do not believe enough is being done to foster productivity. Table 8 illustrates that staff agency officials are overwhelmingly in favor of more productivity efforts. And when legislators and legislative staff were asked the same question regarding state government as a whole, a very similar response resulted: 93 percent indicated yes, only 3 percent said no, and the remaining 4 percent were not sure.

All segments of state government agree on the need

TABLE 8

Survey responses to the question: "Would you like to see more effort in your state agency devoted to activities designed to increase productivity?"*

Yes	87%
No	5%
Not sure	8%

*Includes responses to all four surveys.

for more productivity activities. But will such activities be initiated? That is unclear from response to the survey. Legislators, legislative staff and central executive branch officials were given a list (as shown in Figure 4) of activities that a state could adopt and were then asked what the likelihood is for funding (or supporting when funding was not needed) by state policy-makers in the next year or two.

In no case did over half of the state officials believe there is a high likelihood of funding or supporting a new activity. In fact, for most of the possible activities, fewer than 20 percent of state officials believe there is high likelihood of funding. The programs most likely to be supported are those already operating—35 percent believe there is a high likelihood for supporting performance evaluation of programs, 31 percent for a new project to improve fiscal management, and 28 percent for new efforts in employee evaluation. These results suggest that new funding or support is most likely for expansion of current activities, not for unique approaches such as contracting out or labor-management relations committee experiments. Although the prospect of funding and support might be doubtful, state officials would like more productivity improvement activities and realize existing efforts are insufficient.

Current programs in state government are reflected by the different organizational units given responsibility for productivity. The principal units identified by state officials as dealing with productivity issues are (with the most frequent choice first) the:

- Budget Office
- Department of Administration
- Department/Division of Personnel
- Governor's Office
- Legislative Auditor's Office

These units were the most frequent choices of both executive branch officials and legislative staff. The only difference between the two groups is that the Legislative Auditor's Office is cited third most frequently by legislative staff whereas executive branch officials cited it as the fifth unit.

Despite general agreement on the units most often given responsibility for productivity, state officials cite a variety of other organizational units which have principal responsibility. Whereas one-fifth of the state officials point to the Budget Offices and Departments of Administration, 7 percent identified units within each agency; 6 percent specified a unique organizational arrangement; 4 percent specified a temporary task force or commission; and 3 percent specified the Legislative Research Service. Three percent believed no unit had responsibility for productivity improvement.

In summary of this section, state officials generally agree that more productivity efforts are needed. At the same time, the likelihood of new projects seems uncertain at best. We did not ask why productivity projects would not be initiated but we presume that budget constraints are the primary reason.

Most productivity work is viewed as being conducted by executive branch units: budget offices, departments of administration, departments of personnel, and governors' offices. The only legislative unit often viewed as involved with productivity is the Legislative Auditor's Office. To this general pattern can be added a wide variety of other organizational units which have responsibility in selected states.

C. Sources of Information for State Officials

Another aspect of state efforts to improve productivity involves sharing information on the subject. From Table 9, it appears that productivity activities are either not being conducted frequently or that individuals are working separately. (There is even less interaction with persons from other states, which is not surprising. Only 3 percent of state officials have "a lot" of interaction on the subject with officials outside their state whereas 68 percent of the officials have very little (or no) interaction.) When state officials do receive information about productivity issues from sources within their state, the source most frequently cited is state administrators. (Legislators cite information from legislative staff more frequently, with state administrators as the second most frequent source.) A second source is professional associations within the state. In-state universities are the third most cited source by state executive branch officials but were rarely cited as a source by legislators and legislative staff.

TABLE 9

Survey responses to the question: "How much interaction do you have with persons from within your state regarding productivity?"*

A lot	15%
Some	36%
Very little, none	49%

*For Central Agency, Legislator and Legislative Staff surveys.

The federal government's role in state productivity activities was determined through a series of questions. When the survey was conducted in the spring and summer of 1980, the federal government had just begun assisting states and localities. Thus, the impact of the federal effort was expected to be minor, and it was. From Table 10, it is obvious that state officials had had very little interaction with federal officials. (For legislators and legislative staff, the "very little" and "none" proportion exceeded 82 percent.)

Another part of the federal government program was its information-sharing activities. In response to the question "Do you think there are weaknesses in the federal

TABLE 10

Survey responses to the question: "How much interaction do you have with federal officials regarding productivity issues?" *

A lot	3%
Some	23%
Very little, none	74%

*For Central Agency, Legislator and Legislative Staff surveys.

efforts to share productivity information with the states?" about 10 percent said there were no weaknesses. Sixty-five percent, however, were unfamiliar with federal efforts, and 25 percent said there were weaknesses. The primary weaknesses specified were that state officials did not know information was available and that the information was not being communicated properly. Other weaknesses mentioned less frequently were the lack of information about programs in states and the information available is inadequate in terms of the particular needs of states.

The federal government, however, has had an impact through the provision of financial assistance. Central executive branch officials indicated that of their agency's productivity projects, nearly one-third (32 percent) had received federal assistance. Six legislators said that their legislature's productivity effort had had federal assistance.

To summarize the principal findings of this section, information-sharing and interaction among individuals about productivity issues are limited. Since the survey was conducted, information-sharing has increased. Yet we doubt if the sources of information have changed dramatically. State officials receive most information through interacting with other officials in their states, limited information from officials in other states, and very limited information from the federal government. Within a state, state administrators, professional associations, and legislative staff are the key sources of information about productivity.

III. Concluding Remarks

To our knowledge, this is the first national survey of state officials on improving productivity. A key message, repeatedly stated in the returned surveys, was that more productivity improvement is needed, as the following comments taken from the surveys indicate: "We need productivity programs"; "There seems to be the desire for productivity programs, but no consensus on how to go about it"; "Let's stop talking about it and let's do it!" We also found a broad awareness of productivity problems and methods of tackling them through the line agencies as well as among the central agencies. Yet some people expressed confusion as to what steps to take first.

Strategies are available for taking action. There is much existing knowledge for improving government operations which can be shared and which is being shared. In response to survey questions, state officials sent us information, often detailed, on the courses of action they are pursuing.

This is not to say that every state will or should follow the same course. Approaches to improvement do and should vary in order to address specific state differences. However, the survey responses show a remarkable consensus on needed activities. Employee incentive programs designed to more fully tap and motivate the states' human resources may increasingly be implemented. In-house modular training programs may be used more frequently instead of contracting out for specialized training sessions. Also, efforts to incorporate work output and input measures into agency planning and evaluation cycles seem likely to continue. Most managers view output measurement as a necessary part of assessing how well their operational goals have been achieved.

Although activities to improve productivity are increasing, state officials sometimes expressed feelings of isolation in their concern for productivity: one respondent declared: "I am very interested in productivity. Others in my state are not." While this perception of disinterest may be true in some instances, the survey responses dispell the assumption that interest in productivity is restricted. Interest is widespread throughout state government. The message from the surveys is that there are state officials in every state who want to contact others and improve government operations. Statewide programs may be particularly effective in clearly demonstrating top-level management commitment to productivity improvement and in building communication networks within a state.

Responses from the national survey indicate improving productivity will be a major challenge of the 1980s. It is a challenge to which many people are already responding. For the citizens who want effective services at less cost, government must become more efficient to retain their trust and approval. For the public manager who strives to achieve program goals with fewer dollars, available human and capital resources must be utilized more fully. For the state legislator who is charged with oversight of and appropriations for government operations, resources for future productivity improvements must not be overlooked. For the state employee who is most directly involved in delivering government services, attentiveness to improving the effectiveness and efficiency of daily tasks must be renewed. Ultimately, all state legislators, managers, and employees are citizens who want the best—the most efficient and effective—government possible. The challenge is great; fortunately, the opportunities are numerous as well.

Notes

1. Fifty-four surveys were returned too late to be included in this analysis, thus the analysis is based on 940 surveys.

2. For each of the categories in Figure 2, survey respondents were asked whether they considered the category to be very useful, useful, or not useful. Figure 2 shows only the "very useful" responses. Additional comments on the "useful" and "not very useful" responses are needed to clarify the information contained in Figure 2. Although only 26 percent of the survey respondents believe "information on productivity activities in other states" would be very useful to them, by itself this percentage is misleading since 58 percent thought such information would be useful. Only 8 percent thought interstate information would not be useful. A different pattern emerges for the category "labor-management committee to handle productivity improvement." Although only 13 percent of the survey respondents believe such committees are very useful, almost a third of the respondents said this effort is not very useful. Two categories which were viewed by approximately 40 percent of the survey respondents as very useful—"improved delivery methods and techniques" and "improved operating procedures"—were viewed by a majority of the survey respondents as useful. Only 5 percent of the respondents said these two categories are not very useful for productivity improvement efforts. Thus some activities, while maybe not considered to be very useful, are considered to be at least somewhat useful. Whereas, other activities which are not considered to be very useful are also not considered to be even somewhat useful.

3. Identification of innovative programs and activities was stressed in the open-ended questions. Efforts have been under way since July and continue to develop descriptions of these programs, and to document program results. The Productivity Center will publish this information in the next few months in a companion piece to this report.

IV. Appendix

Figure 5 describes in detail who received each of the four types of questionnaires. The *Short Executive Agency* (SEA) questionnaire (19 questions) was sent to personnel in a broad cross-section of state agencies to determine which of them are involved in activities to improve productivity. Five hundred thirty-three people returned the questionnaires for a response rate of 31 percent. The SEA questionnaire is referred to in our tables as the *Line Agency* survey.

The *Long Executive Agency* (LEA) questionnaire (54 questions) was sent to state administrators we believed most likely to be involved with statewide or agencywide productivity programs. This questionnaire contained many open-ended factual questions omitted from the three other questionnaires. One hundred ninety-three people returned the questionnaires for a response rate of 55 percent. These questionnaires are referred to in our tables as the *Central Agency* survey. The higher response rate for this survey over the SEA survey seems to confirm our initial belief that the LEA survey was sent to a group of state administrators with especially strong interests in productivity issues.

The *Short Legislative* (SL) questionnaire (21 questions) was sent to legislators and included only opinion questions on productivity in state government. One hundred fifty-one people returned the questionnaires for a response rate of 11 percent. These questionnaires are referred to in our tables as the *Legislator* survey.

The *Long Legislative* (LL) questionnaire (31 questions) was answered primarily by legislative staff. These questionnaires included factual questions covering legislative activities related to improving productivity in the executive branch, not in the legislature. Sixty-three people returned the questionnaires for a response rate of 18 percent. These questionnaires are referred to in our tables as the *Legislative Staff* survey.

Figure 5

DESCRIPTION OF RECIPIENTS OF THE FOUR SURVEYS

Line Agency Survey (SEA)—1,650 people

Administrators in the following departments or positions:

- Alcoholism
- Clerk of Supreme Court
- Commerce
- Community Affairs
- Consumer Affairs
- Comptroller
- Corrections
- Criminal Justice Planning
- Data Processing
- Employee Relations
- Employment Service
- Governor
- Higher Education
- Highway Patrol
- Human Services
- Industrial Development
- Insurance
- Lieutenant Governor
- Mass Transportation
- Motor Vehicle Registration
- Natural Resources
- Parks and Recreation
- Printing
- Public Utility Regulation
- Purchasing
- Social Services
- Solid Waste
- State Fair
- State-Local Relations
- Taxation
- Telecommunications
- Transportation
- Vocational Rehabilitation
- Welfare
- Women, Commission on the Status of

Central Agency Survey (LEA)—350 people

Administrators in the following departments or positions:

- Budget
- Finance
- Personnel
- Administration
- Planning
- Labor and Industrial Relations
- Court Administrators
- General Services

Legislator Survey (SL)—1,400 people

- Selected committee members from government operations, state-local relations and other committees
- Chairpersons from selected committees: education, business and commerce, health, judiciary, natural resources, and transportation
- Selected legislators identified through Council of State Governments activities and publication requests

Legislative Staff Survey (LL)—300 people

- Legislative post-audit staff
- Legislative fiscal review and analysis office staff
- Selected committee chairpersons: finance and appropriations, government operations, state-local relations

WHAT IS THE STATE GOVERNMENT PRODUCTIVITY RESEARCH CENTER?

The State Government Productivity Research Center (SGPRC) was established in November 1979 by the Council of State Governments with support from the U.S. Office of Personnel Management. The Center's purposes are to: (1) Work in close cooperation with state government officials interested in initiating productivity programs, (2) Assist them in learning about productivity programs in the 50 states, and (3) Conduct applied research on productivity problem areas of concern to state government officials. The Center Staff welcomes inquiries from interested persons.

CENTER ACTIVITIES

- Identification of State Productivity Projects
- A Survey of State Officials has produced: (1) a needs assessment of the most salient productivity problem areas, and (2) an inventory of productivity activities in the states.
- Clearinghouse/Information services to legislative and executive officials, researchers and the media.
  - —*Bibliographical and Resource Materials: addressing specific problems state officials face and the solutions they might use are available upon request.*
  - —*Fifty-State Information Network: these individuals have knowledge about productivity programs in their states and will share it with interested persons.*
  - —*Information on new productivity-oriented methods and approaches.*
  - —*Will provide research assistance based on inquiries from state officials.*
- Talent Bank: These individuals have expertise in particular areas of productivity and can be utilized as advisors to new productivity programs.
- Publication Series on Selected Productivity Programs.

AREAS OF SPECIALIZATION

- Incentives/Employee Motivation
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- Fringe Benefits
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- Program Evaluation Measurement
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FOR FURTHER INFORMATION:

Call: (606) 252-2291
James E. Jarrett
Frances S. Berry
Connie C. Whitaker
State Government Productivity
Research Center
Council of State Governments
P.O. Box 11910
Lexington, Kentucky 40578

Publications

The following publications are available without charge to state officials from the State Government Productivity Research Center:

Investment in Technology: A report on New Jersey's Productivity Improvement Investment Account. The study describes how New Jersey funds small capital equipment through a central revolving fund and assesses the Account's two-year operation. RM690, $3.

Incentives: A report on North Carolina's Incentive Pay Experiment. The study describes the unique monetary incentive project that distributes a portion of budget savings to members of the group which provided the savings. RM694, $3.

Retraining: A short review article on retraining programs for employees displaced by the introduction of equipment and technology. Information on programs in both private companies and state governments is included.

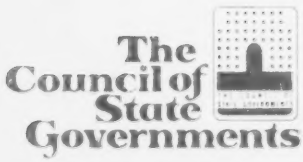
Productivity Probe: The second edition of the Center's newsletter includes summaries of 13 state activities that have been enacted into law to improve government's operations.

Available soon from the State Government Productivity Research Center:

Productivity Primer: A report for legislators and administrators that introduces approaches to improving productivity in state government. Frequent references are made to implemented programs.

Productivity Programs in State Government: This report contains capsule descriptions of approximately 80 productivity activities operating in state governments. Results and contact persons are included for each activity.

Sunset Review Mechanisms and Productivity: This report reviews states' experiences with sunset, with a special section on health occupational licensure boards. Information on sunset's impact in six states is presented which was obtained through a survey of key state officials working in the sunset process.



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